

## **May 5, 2020 for May 11 General Meeting**

### **Treasurer's Report**

Phoebe Vanselow

The Capital Improvement Plan is complete and ready for adoption. This comprehensive document has been a useful tool for communicating capital projects to the community, for departmental planning, and for keeping council members abreast of ongoing and upcoming projects, especially newly elected officials.

The FY21 Budget will be introduced May 11. Thanks to everyone for their hard work on this. We ended up with essentially two budget cycles this time, with an initial budget almost fully developed before being completely reworked due to impacts from the COVID-19 pandemic. The council chose a conservative revenue scenario to move forward with, and between the FY21 budget and our healthy savings account, I believe the City of Gustavus is in an excellent position to move through these challenging economic times. For any citizens reading through the draft budget, please feel free to email me if you are having trouble interpreting any of the charts. [treasurer@gustavus-ak.gov](mailto:treasurer@gustavus-ak.gov) I am happy to try to explain.

There are two non-code ordinances (NCOs) being introduced May 11. The first is to do the final adjustments to the FY20 budget as we finalize the spending plan for each department for the current fiscal year. A similar NCO is introduced every May to prepare to close-out the fiscal year. The second NCO is to adjust the funds that were drawn from savings to pay for our road maintenance expenses now that National Forest Receipts (NFR) funds have come in for the year. NFR funds can only be spent on roads or schools, and since the city does not operate the school, all NFR funds received by the city go toward road maintenance. In the past, these NFR funds exceeded the road maintenance budget, and surplus receipts were saved in a special encumbered funds savings account. In recent years, NFR funds have become unpredictable and are much lower. As a result, road maintenance expenses are being paid through the encumbered savings along with any NFR funds that materialize each year. Next fiscal year, the encumbered funds in savings will be used up. The city has set aside a separate savings account with close to 3 years of road maintenance funds deposited in it to help transition the city to a new approach to funding road maintenance: primarily through local revenues, supplemented by any possible NFR funds for the year. This is an ongoing topic of discussion – ideas welcome!

I completed the general liability, property, and workers compensation insurance renewal package and hope to learn the FY21 premium amounts any day now. Per our insurance agent's insight, the budget includes a 20% increase on general liability and property insurance. Workers compensation rates should go down, due to the insurance climate and our lower budgeted payroll in this conservative budget.

Endowment Fund Grants are running smoothly with grantees expending funds.

I spent 0.5 hour per week maintaining the beach restrooms and trash cans during the Marine Facilities Coordinator's off months this winter and spring. I have offered to do this to keep these facilities open during the off-season when locals still have a need for them. While most citizens are responsible, it was discouraging to have to empty and sort one-by-one people's household trash and beer bottles filling the bins on several occasions, especially knowing they were Gustavus residents in this time of no-ferry and hunker-down.